

February 20, 2004

Grand Canyon Chamber of Commerce
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To The Arizona Corporation Commission:

The Grand Canyon Chamber of Commerce respectfully submits the following comments related to the Environmental Portfolio Standard Rules (A.A.C. R14-2-1618)

1. A discussion of increasing Environmental Portfolio Standard (“EPS”) funding levels.

We support funding levels that will continue to guarantee the success of the various renewable energy resource industries in the State. These include biomass, wind, solar and any other options that fit into the commission’s definition. Of special interest to the Chamber is the opportunity to use woody biomass as a fuel source for renewable energy. The supply of woody biomass alone for cogeneration facilities will have wide spread benefits not only to forest health but other related activities economically beneficial to the state such as tourism. Thinned forests will result in biomass that can be efficiently turned into energy instead of “controlled burning” currently resulting in significant environmental deterioration impacting the health of residents and visitors and diminishing the quality of the Grand Canyon viewshed.

2. Elimination of the EPS expiration date

The Chamber supports the elimination of the expiration date. This is necessary to ensure a long term commitment for the purchase of renewable energy. Investors in renewable energy projects need long term purchase contracts to secure adequate financing.

3. Restoration of Demand Side Management (“DSM”) funding

Demand Side Management funding needs to be in excess of the amounts necessary to facilitate and promote biomass energy and other renewable energy projects. Biomass energy in our view is critical to the restoration of Arizona’s fire ravaged and bark beetle infested forests.

4. Allocation of funding among various technologies

The Chamber supports all forms of renewable energy projects as long as they are appropriate to the locale and economic industries of the area. There are forms of renewable energy and fuel sources that are indigenous to specific areas such as the woody biomass fuel supply prevalent in Northern Arizona that need to be taken into account during the funding allocation and project selection process.

Visitation during 2003 to the Grand Canyon was approximately 4.64 million at an average expenditure of \$118.00 or close to \$550 million in generated revenues. Add the balance of Coconino County and Northern Arizona and the tax income to the State is significant. Enhancing the health of our forests is certainly an investment in the future of Arizona tourism.